



Investor Release

Magyar Telekom

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Magyar Telekom wins frequency blocks

Budapest – September 29, 2014 – Magyar Telekom (Reuters: MTEL.BU and Bloomberg: MTELEKOM HB), the leading Hungarian telecommunications service provider, announces that in the tender for spectrum licences related to broadband services it has won the rights of use of the following frequency blocks:

| | Price (HUF billion) | Band | Quantity |
|-------------|---------------------|----------|-----------|
| Package "A" | 33.225 | 800 MHz | 2x2x5 MHz |
| | | 900 MHz | 2x2x1 MHz |
| | | 2600 MHz | 6x2x5 MHz |
| Package "D" | 15.000 | 1800 MHz | 1x2x5 MHz |
| Package "E" | 10.425 | 1800 MHz | 1x2x5 MHz |

On May 22, 2014, the Office of the National Media and Infocommunications Authority announced a tender for the utilisation of currently unused 800 MHz and 2600 MHz frequency bands and for the undistributed parts of 900 MHz, 1800 MHz and 26 GHz frequency bands. As announced, Magyar Telekom filed a tender bid on June 16, 2014.

On September 29, 2014, Magyar Telekom received the Authority's Decision closing the tender.

Pursuant to the Decision, Magyar Telekom is entitled to use the above listed frequency bands – considering that by fulfilling the respective conditions the term of rights of use for frequencies is extended by five years – until June 15, 2034. Based on the Decision, Magyar Telekom is required to pay a price of HUF 58.65 billion for these frequency blocks, and this payment is expected to be due in the fourth quarter of 2014. The present value of the future annual band fees related to the acquisition of these frequency blocks will be capitalized in the amount of HUF 36.8 billion in the fourth quarter of 2014.

Magyar Telekom's frequency holdings with the frequency blocks acquired as part of the Decision includes the following:

| Band | Quantity |
|----------|--------------------|
| 800 MHz | 2x10 MHz |
| 900 MHz | 2x12 MHz |
| 1800 MHz | 2x25 MHz |
| 2100 MHz | 2x15 MHz + 1x5 MHz |
| 2600 MHz | 2x30 MHz |
| 3.5 GHz | 4x2x3.5 MHz |
| 26 GHz | 4x2x28 MHz |



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This investor news may contain forward-looking statements. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore should not have undue reliance placed upon them. Forward-looking statements speak only as of the date they are made, and we undertake no obligation to update publicly any of them in light of new information or future events.

Forward-looking statements involve inherent risks and uncertainties. We caution you that a number of important factors could cause actual results to differ materially from those contained in any forward-looking statement. Such factors are described in, among other things, our Annual Reports for the year ended December 31, 2013 available on our website at <http://www.telekom.hu>.